

Iowa Power Fund Board
Meeting Minutes June 10, 2009
Renewable Energy Group
416 South Bell Avenue
Ames, Iowa

Call to Order:

Fred Hubbell, Chair, called the meeting to order at 12:30 P.M. He acknowledged a quorum.

Member	Present	Absent	Member	Present	Absent
Voting Members			Ex-Officio Members		
Fred Hubbell, Chair	X		Gregory Geoffroy		X
Tom Wind, V-Chair	X		Bill Giddings	X	
Rob Berntsen	X		Kent Henning		X
John Bilsten	X		Senator Hubert Houser	X	
Shearon Elderkin	X		Senator Roger Stewart	X	
Peter Hemken	X		Rep. Nathan Reichert	X	
Patricia Higby	X		Rep. Chuck Soderberg	X	
Richard Leopold	Aaron Brees		Due Diligence Committee	Present	Present
Bill Northey			Kevin Nordmeyer	X	
Lucy Norton	X		Ted Crosbie		X
Mike Tramontina	Karen Merrick		Curt Hunter		X
			Patricia Higby	X	X
			Roya Stanley		

OEI staff in attendance: Roya Stanley, Jennifer Wright, Brian Crowe, Rob Grayson, Jessica Zopf, Sherry James

Approval of Agenda:

Action: Mr. Hemken moved, Mr. Berntsen seconded, to approve the agenda as printed. All members present voted "aye".

Approval of Minutes:

Action: Mr. Bilsten moved, Ms. Norton seconded, to approve the May 13, 2009 Power Fund Board minutes as printed. All members present voted "aye".

Chair's Remarks:

Chair Fred Hubbell thanked Glen Meier, Renewable Energy Group's research and development manager., for their hospitality and hosting the June board meeting. A tour of the facility and an update on their project was conducted prior to the board meeting.

Director's Remarks:

Director Roya Stanley also expressed appreciation to REG for the tour and the facility. She reported the Board would be touring other projects throughout the summer as the tours would be scheduled to coordinate with the board meetings.

Director Stanley reported that she went to NREL last week. She reported there have been lots of changes in technology and funding as well as personnel over the past few years.

The visit included the IAWIND Coalition which gave them an opportunity to visit the Wind Site at NREL and meet with the Deputy Control Director and other key researchers to establish a high degree of collaboration and funding opportunities. IAWIND has a Power Fund Project for the evaluation of a gear box test facility which is for research and development, not the installation. NREL is supporting the Wind for Schools project and just recently added five states to the list of those participating in the project.

Director Stanley also spoke to key employees at NREL regarding algae and solar. They are looking at more collaboration of selective states.

Public Comments:

No one presented for public comment.

Committee Reports:

Administrative Rules: Rob Grayson reported that due to Senate File 452, it was necessary to make some changes to the office's Administrative Rules. These rules are intended to implement the community grants program funded by four percent of the annual Iowa Power Fund appropriation that was created in (83GA, SF452). The draft rules clarified some language and the reimbursement of funding. This is an opportunity for smaller communities and non-profit projects to have access to funding that will turn around in a quicker format than the Power Fund projects.

There was discussion regarding the process and how the funding would be distributed.

Action: Mr. Bilsten moved, Mr. Hemken seconded, to add some language to 469.11, subsection 2, paragraph b. "the office shall consider the breadth and depth of community involvement of that plan as consideration for project funding." And to insert a new section: 469.11: "The office staff will determine the form of application and criteria for review. Projects should be approved by the director of the office. All funding decisions shall be reported monthly to the Iowa power fund board." All members present voted "aye", motion carried.

Due Diligence: Brian Crowe reported there were 14 pre-applications and 4 full applications submitted for review at the June 24 DDC meeting. He reported there is an increase in collaboration with staff at DED to coordinate the projects to assist the applicants of getting the best funding possible for their project.

Mr. Crowe reviewed the quarterly Iowa Power Fund Project Summary report. He reported an additional column has been added to show the amount of committed funding versus the amount of distributed funding. It was suggested to also add the amount of received match against the committed match. He reported most of the project updates are tied to their quarterly reports. Staff has visited POET in Emmetsburg and Cellencor in Council Bluffs and additional site visits will be scheduled.

Staff will give an update at the monthly board meetings so any potential issues with projects can be discussed.

Chairman Hubbell reviewed the Project Summary List. He asked for an update on the term sheets that were approved at the April meeting. He reminded those in attendance that the contracts were to be presented to the board in 30 days unless there was an exceptional circumstance. There was a risk of losing those projects to other states and it was not good business to take longer than 30 days to finalize a project.

Julie Pottorff, Attorney General's office, reported she had met with OEI staff and has offered to assign one of her staff members to work with the legal counsel from DED for a consistent approach in getting the contracts completely in a more timely fashion.

Mr. Crowe reviewed the FY 2010 suggested targets. He reported staff had met with Chairman Hubbell and reviewed the applications. The historical chart was a two year report, while the suggested targets chart was for a one year projection.

There was discussion regarding the category "commercialization" being changed to "early stage commercialization" to better show what the actual project was performing.

Planning:

Tom Wind, Planning committee chair, reported the Energy Planning meeting is scheduled for Monday, June 22 from 9:00 until 4:00 at the Botanical Center. This structured meeting will set a clearly defined strategy to achieve goals, for the three categories of biofuels, energy efficiency and renewable energy. There will be a public comment section for stakeholders and constituent groups.

There will be an energy forum, "Plug in to the New Energy Economy" at the Iowa State Fair on Monday, August 17, at 1:00 in the Media Center, located in the center of the cattle barn. The State Fair is assisting with publicity for this event.

Full Application

Full Applications

Mr. Crowe reported Iowa State University was applying for funding in the amount of \$1,843,657 for a project for Conversion of lignocellulosic plant material into bio-oil by yeast. The overall goal of this project is to produce industrial grade oil for biodiesel by growing oleaginous yeasts on lignocellulosic feedstock. This project is designed to optimize oil production and extraction from the obese yeast at a pilot plant scale of 200 lbs of oil/week. The request is to equip a pilot plant with the capacity of growing 3000 liter batches of yeast (equivalent to 400 lbs of yeast @ 55% oil) using corn stover or soybean hulls as the sugar sources. Yeast growth and oil production will be optimized. Harvesting and extraction of the oil will also be optimized in this pilot facility. The pilot facility will validate the laboratory findings and allow an economic analysis of the process.

Action: A roll call vote resulted as follows: Merrick, yes to table; Berntsen, yes to table; Brees, yes to table; Elderkin, yes to table; Norton, yes to table; Wind, yes to table; Higby, yes to table; Hemken, yes to table; Bilsten, yes to table; Hubbell, yes to table. Motion carried.

Term Sheets

Director Stanley reported the term sheets do not come to the board for consideration until the terms have been approved by the applicant. The term sheet then in-turn helps create the final contract, which also goes before the board for final consideration. Should there be any modifications to the contract from the term sheet, these will be pointed out to the board.

08-12-1165– Iowa Biodiesel Board

Mr. Crowe reported the Iowa Biodiesel Board was requesting \$50,000 grant for a Biodiesel Education Program to assist with the education of diesel mechanics and diesel mechanic students about biodiesel.

Action: Mr. Bilsten moved, Ms. Norton seconded, to approve an award to Iowa biodiesel Board in the amount of \$50,000 on the terms and conditions described in the Term Sheet as presented. A roll call vote resulted as follows: Merrick, yes; Berntsen, yes; Brees, yes; Elderkin, yes; Norton, yes; Wind, yes; Higby, yes; Hemken, yes; Bilsten, yes; Hubbell, yes. Motion carried.

09-02-1177– City of Cedar Rapids

Mr. Crowe reported the City of Cedar Rapids was requesting \$253,406.50 grant for a 21st Century Green Energy Project for a detailed assessment to develop the business and technical basis for the creation of a renewable cogeneration power solution for Cedar Rapids.

There was discussion regarding the results of the feasibility study being directive, and not allowing the study to prove the science to give the end results.

Action: Ms. Elderkin moved, Mr. Bilsten seconded, to approve an award to the City of Cedar Rapids in the amount of \$253,406.50 on the terms and conditions described in the Term Sheet as presented. A roll call vote resulted as follows: Merrick, yes; Berntsen, yes; Brees, yes; Elderkin, yes; Norton, yes; Wind, yes; Higby, no; Hemken, yes; Bilsten, yes; Hubbell, yes. Motion carried.

Public Comments:

No one presented for public comment.

Other Business:

Ms. Higby requested to have a discussion at a future board meeting on the “review of the review of the projects”.

Adjournment:

There being no further business to discuss at this time, Mr. Hemken moved, Ms. Merrick seconded, the meeting be adjourned at 4:30 P.M. All members present voted “aye”. The next Power Fund Board meeting will be held on Wednesday, July 8, 2009 at the University of Northern Iowa in Cedar Falls.

Fred Hubbell, Board Chair

Sherry James, Recording Secretary